



PRIVATIZATION AT THE WALLOPS FLIGHT FACILITY

NASA SOUNDING ROCKET OPERATIONS CONTRACT (NSROC)

**PROCUREMENT 2000 CONFERENCE
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Overview

1. Original Concept
2. Goals of the Acquisition
3. Contract Provisions
4. Solicitation Phase Issues
5. Implementation Issues
6. Lessons Learned



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Original Concept

1. NPR Recommendations for NASA

- **Transfer of Functions to the Private Sector**
- **Utilize Private Sector Capabilities**
- **Consolidate Functions**

2. GSFC and WFF Environment

- **Zero Based Review**
- **WFF Mission 2000**
- **Full Cost Accounting**
- **Federal and State Partnership Goals**



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Goals of the Acquisition

- 1. Implementation and Privatization of the NASA Sounding Rocket Program**
- 2. Maximize the Utilization of WFF Resources and Capabilities for NASA, other Government, and Commercial Opportunities**



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Contract Provisions

1. Conditions for Performance of Commercial and Marketing Activities

- Non-Interference
- Non- Representational of NASA Sponsorship
- Payment for Direct and Related Indirect Costs or Consideration for Use of GFP
- Space Act Agreement for Non-GFP
- Commercially Reasonable Insurance with Full Indemnification for the Government (not an allowable cost under the contract)
- Reasonable Efforts and Space Act Agreements to Honor Commercial Commitments Including Those Beyond the Contract Term



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Contract Provisions (cont.)

2. SOW Requirements for Performance of Commercial and Marketing Activities

- Provide, Implement, and Maintain a Marketing Plan
- Marketing Plan as Contract Attachment
- Overall Business Approach
- Process for Reimbursement of Direct and Related Indirect Costs
- Process for Coordinating, Seeking Approval, Tracking and Reporting Marketing Activities



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Contract Provisions (cont.)

3. Award Fee Provisions For Performance Of Commercial And Marketing Activities

- Evaluation of Marketing Within Overall Administration and Management Award Fee (No Specific Amount of Fee for Marketing)
- Subjective Evaluation of How Well the Contractor Implements their Marketing Plan
- The Level of Commercial or Marketing Activity Which Actually Utilizes WFF Assets



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Solicitation Phase Issues

1. Industry Input Process
2. Initial Proposal Evaluation
3. Discussions
4. BAFO Marketing Plan and Final Evaluation
 - Indirect Benefit Corporate Investment Plan of a Specific Percentage of Gross NSROC Revenue PLUS the same Percentage of all External Marketing Revenue as follows:
 - Marketing: 47.5%
 - Programmatic Technical Innovation: 25%
 - Special Employee Incentives: 12.5%
 - Management Process Improvements: 10%
 - Direct and Related Indirect Costs as a Credit to Amounts Otherwise Payable or to Investment Plan



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Implementation Issues

1. HQ Acceptance of GSFC Pilot Privatization Program
 - Development of Annual Rates of Reimbursement for Direct and Related Indirect Costs for all NSROC GFP
2. Acceptance of NSROC Business and Investment Plans
 - Insurance/Liability Verification
 - Non-Exclusive Opportunities for all WFF Customers and Asset Owners
 - No Competition with Commercial Arena for Space Act Agreement Arrangements
 - No Appearance of Conflict with Other NASA Lead Center Roles and Responsibilities
 - Institutional Safety Responsibilities



Wallops Flight Facility

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Lessons Learned

1. GFP rate determination should be established with RFP release, including clear Section M language on how the value of the Plan will be evaluated.
2. Full cost accounting, especially for commercial work, is not consistent with 533 format/guidance.
3. Burden must be on the Contractor and their underwriter for all types of liability in their insurance coverage.
4. The Agency should consider request for statutory relief of “augmenting appropriation” restrictions, similar to Navy facilities under the BRAC, even on a pilot basis.
5. Development of norms and tracking of commercial activities to insure compliance (audit trail and no reimbursable activity).
6. Insure Investment Plan and award fee process does not seek credit for what is reasonably a contract requirement.